

**CITY OF HOMER  
HOMER, ALASKA**

City Manager/  
Public Works Director

**ORDINANCE 24-34**

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,  
AMENDING THE FY25 CAPITAL BUDGET BY APPROPRIATING  
\$16,000 FROM THE GENERAL FUND CAPITAL ASSET REPAIR AND  
MAINTENANCE ALLOWANCE (CARMA) FUND TO CONVERT THE  
EXISTING FUEL BOILER AT THE HOMER EDUCATION AND  
RECREATION COMPLEX (HERC) TO NATURAL GAS.

WHEREAS, The City of Homer converted most of the City buildings to natural gas heating when natural gas became available; and

WHEREAS, The HERC 1 building was not converted due to the uncertainty of the status of the building; and

WHEREAS, After a number of years HERC 1 is still being used for Community Recreation activities; and

WHEREAS, Converting to natural gas is anticipated to result in a savings in energy costs for to the City.

NOW, THEREFORE, The City of Homer Ordains:

Section 1: The Homer City Council hereby amends the FY25 Capital Budget by appropriating \$16,000 from General Fund CARMA to convert the existing fuel boiler at the HERC to natural gas as follows:

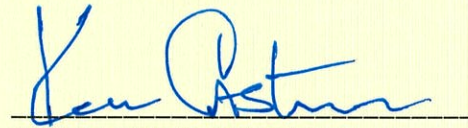
<u>Fund</u>	<u>Description</u>	<u>Amount</u>
156-0396	HERC CARMA	\$16,000

Section 2: This is a budget amendment ordinance, is not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 19<sup>th</sup> day of August, 2024.

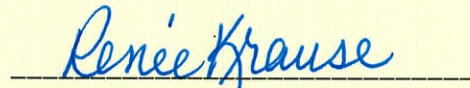


CITY OF HOMER



KEN CASTNER, MAYOR

ATTEST:



RENEE KRAUSE, MMC, CITY CLERK

YES: 5

NO: 0

ABSTAIN: 0

ABSENT: 1

First Reading: 7/22/24

Public Hearing: 8/12/24

Second Reading: 8/19/24

Effective Date: 8/20/24





# MEMORANDUM

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**Ordinance 24-34, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating \$16,000 from the General Fund Capital Asset Repair and Maintenance Allowance (CARMA) Fund to Convert the Existing Fuel Boiler at the Homer Education and Recreation Complex (HERC) to Natural Gas. City Manager/Public Works Director.**

**Item Type:** Backup Memorandum  
**Prepared For:** Mayor Castner and City Council  
**Date:** July 15, 2024  
**From:** Daniel Kort, Public Works Director  
**Through:** Melissa Jacobsen, City Manager

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**Summary:**

Allocation of funds towards the effort to convert the existing Fuel Oil boiler to Natural Gas.

**Background:**

The City of Homer (City) converted nearly all of the City buildings to natural gas heating when natural gas became available. The HERC I building was not originally converted to natural gas at the same time because it was thought that a new Recreation Center building would be constructed to replace the HERC.

A number of years have passed and a new Recreation Center has not been constructed, therefore the Public Works Department is proposing to convert this building to natural gas as well to save heating costs. It has been estimated that the break-even point between continued heating with fuel oil as opposed to natural gas will be approximately 2 years. Since a new site for the future Recreation Center is still being decided, and the new facility has yet to be designed, the Public Works Department is confident that the savings of converting the building to natural gas will be realized.

The Public Works Department has received the quote to purchase and install the new natural gas burner into the existing boiler for a cost of \$13,952.09. Enstar was contacted during the budgeting process and quoted a cost of \$1,600 to connect the HERC building to natural gas. An appropriation of \$16,000 will provide a small contingency if needed.

**Recommendation:**

Allocate of \$16,000 for the conversion of the HERC boiler to natural gas.

CITY OF HOMER  
FINANCIAL SUPPLEMENT

PROJECT NAME	<u>HERC 1 Natural Gas Conversion</u>	DATE	<u>07/17/2024</u>
DEPARTMENT	<u>Public Works</u>	SPONSOR	<u>City Manager/PW Director</u>
REQUESTED AMOUNT	<u>\$ 16,000</u>		

DESCRIPTION	The City of Homer converted most of the City buildings to natural gas heating when natural gas became available. The HERC 1 building was not converted due to the uncertainty of the status of the building. After a number of years HERC 1 is still being used for Community Recreation activities. Converting to natural gas is anticipated to result in a savings in energy costs for to the City.
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FUNDING SOURCE(S)	OPERATING	HERC CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	100%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: HERC CARMA (156-0396)		FUNDING SOURCE 2:		FUNDING SOURCE 3:	
Current Balance	<u>\$ 684,922</u>	Current Balance	<u>          </u>	Current Balance	<u>          </u>
Encumbered	<u>\$ 509,651</u>	Encumbered	<u>          </u>	Encumbered	<u>          </u>
Requested Amount	<u>\$ 16,000</u>	Requested Amount	<u>          </u>	Requested Amount	<u>          </u>
Other Items on Current Agenda	<u>\$ 0</u>	Other Items on Current Agenda	<u>          </u>	Other Items on Current Agenda	<u>          </u>
Remaining Balance	<u>\$ 159,271</u>	Remaining Balance	<u>          </u>	Remaining Balance	<u>          </u>
FUNDING SOURCE 4:		FUNDING SOURCE 5:		FUNDING SOURCE 6:	
Current Balance	<u>          </u>	Current Balance	<u>          </u>	Current Balance	<u>          </u>
Encumbered	<u>          </u>	Encumbered	<u>          </u>	Encumbered	<u>          </u>
Requested Amount	<u>          </u>	Requested Amount	<u>          </u>	Requested Amount	<u>          </u>
Remaining Balance	<u>          </u>	Remaining Balance	<u>          </u>	Remaining Balance	<u>          </u>